

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE - DRAFT

Review Item:

School District Watch List

Applicable Statute(s) or Regulation(s):

KRS 160.470 and 160.550

History/Background:

Existing Policy. As a part of the Office of District Support Services' Management Improvement Program and statutory requirements, districts are required to end the fiscal year with a general fund balance of no less than 2%. Those that do not are provided with financial technical assistance from KDE for a two-year period. At the end of this two-year period, if the district has balanced its books and is operating with 2% or more in the general fund balance based on the annual audit, the district no longer receives the additional financial technical assistance.

KDE staff anticipates that more school districts have ended the fiscal year with a general fund balance less than 2% now that audits have been completed for the 2007-2008 fiscal year. Detailed information regarding specific districts will be provided at the February KBE meeting.

KDE will provide assistance for the districts that have ended the fiscal year with a balance of less than 2% through Management Reviews.

Contact Person:

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Deputy Commissioner

Interim Commissioner of Education

Date:

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